



Agenda Item	Councillors' Allowances		
Council/Committee	Finance and Governance Committee		
Meeting Date	23 August 2022	Report Writer	Delia Shephard Town Clerk
Purpose of report	To provide information for members following request for review of council policy position on provision of allowances for councillors		
Strategic Priorities	Robust with resources Closer to our community		
Budget Codes and Costs	106 – Democratic services Up to £13,392 per year for remainder of term plus processing costs		
Environmental Implications	N/A		
Community Safety Implications	N/A		
Equality/Inclusion Implications	Equality and inclusion implications are included in report.		
Other legal implications	Local Authorities (Members' Allowances) (England) Regulations 2003		
Supporting Documentation (if any)	Report of Milton Keynes Council Independent parish remuneration panel 2021		
<p>Background</p> <p>Local councils in England are able to pay a 'parish basic allowance' (PBA) for each year to its chair only or to each of its elected members (Regulation 25). Co-opted councillors may not receive this allowance.</p> <p>In addition to this Regulation 26 permits a local council to pay both elected and co-opted members expenses in respect of travelling and subsistence in connection with certain categories of activities for example attendance at a meeting of council, performance of other specified duties and so on. This report concerns the PBA only.</p>			



The clerk has received a request that the council's policy on provision of PBA be reconsidered given the current cost of living crisis.

Basic Allowance

The PBA is not a salary. It is a sum calculated to cover the expenses that are normally associated with the basic duties of being a local councillor. The purpose is also **not** to reimburse individual councillors for travelling and subsistence as these expenses are treated differently.

If the council wishes to start paying a PBA it will need to pass a resolution to that effect stating what allowances are to be paid and to whom (eg chair only or all councillors) and post a notice for at least 14 days which includes:

- information about the BPA amount recommended by the local parish remuneration panel
- the levels of allowance which the council has decided to pay and to whom
- a statement that in deciding to pay an allowance the council has had regard to the recommendations of the local parish remuneration panel.

In Milton Keynes the local parish remuneration panel last reported in 2021 and a copy of its report is attached. The report explains the importance of providing an allowance if councils are to attract members from all social and economic backgrounds. For example, this council has an expectation that members will have access to the internet which may not always be the case and this could be one way the allowance could be used.

The PBA level has been set at a maximum of £837 yearly. If the council decides to pay this allowance it would be distributed monthly or quarterly (in arrears) through our payroll. The council is obliged to deduct income tax. (The receipt of the allowance could potentially affect members' income tax or benefits status.) At the end of the year the council is further obliged to publish a notice in a conspicuous place with details of all payments and the recipients of PBA as with travelling and subsistence allowances.

Regulation 32 entitles any councillor to elect in writing to the proper officer to forgo any or all entitlement to their allowance.

Financial Implications

Currently the council has 16 elected members who would be eligible for the allowance, three co-opted members who would not be eligible and two vacancies. Therefore the annual cost could be up to £13,392 with additional costs for processing of the payments via our payroll provider. (In the event of a fully elected council this would rise to a maximum of £17,577 each year) This would require an additional £13,392 on the budget for 2023-2024 and an increase in average band D precept of £2.46.

Officer Recommendation This is a policy matter for councillors not officers but attention is drawn to the importance of equality of opportunity and diversity within the council body. Whilst many councillors may wish to retain their unpaid status this may not be feasible for all members of the community who wish to serve as councillors now or in the future.

